

**MINUTES
FOCUS MACOMB
BUSINESS DEVELOPMENT COMMITTEE**

**Community Central Bank
120 North Main
Mount Clemens, MI 48043**

May 17, 2006

MEMBERS PRESENT:

Diana Cruz
Karen Czernel
John Hill
Brian Kern
Rick Kincaid – Co-Chair
Diana Kolakowski
Jim Lindsay
Mike Malone
Gary Popiel
Bill Quinlan
Ron Reed – Co Chair
Lou Sabel
Ted Schollenberger
Don Torline
Chester Zochowski

United Machining, Inc.
Cong. Candice Miller
Midwest Mold
J.G. Kern Enterprises
K & F Electronics
City of Warren
Acra Grinding
Partners in Architecture
Henry Ford/Bi-County Hospital
Quinlan Assoc. Architect
Community Central Bank
United Machining, Inc.
Mineral Springs Development
Baker College
REI Group

MEMBERS NOT PRESENT

William Andre
Robert Bova
Ron Chriss
Bill Jarvis
Robert Kegerreis
Ed Kubes
Terance Thomas

REPRESENTING

Hydra-Lock Corporation
Armada Rubber Mfg.
DTE Energy
Jarvis Construction Services
Burtek, Inc.
Lakeside Mall
St. John Health

STAFF PRESENT

Sharon Laskowski

Bob Tess

Macomb Co. Planning & Economic
Development
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Development

Mr. Ron Reed, President of Community Central Bank, and Mr. Rick Kincaid, President of K & F Electronics Inc, had been appointed Co-Chairs of the committee. Mr. Reed remarked that the Business Development Committee will focus on issues that affect economic development and develop strategies that enhance the county's overall economic success. Mr. Reed then introduced Mr. Don Torline, President of Baker College, who is Co-Chair of the overall Focus Macomb Committee.

Mr. Torline remarked that the encouragement of entrepreneurial development in Macomb County is important. The county is a great place to reside and work. Health care is an important concern for employers. How do we protect manufacturing and other industries and help them grow. The Business Development Committee has an important task ahead of them. A final report will be presented to the county commissioners in November 2006.

Mr. Brian Kern remarked that he is President of J.G. Kern Enterprises. Kern Enterprises is a manufacturing firm located in Sterling Heights. The company produces parts, such as power trains, for the auto industry. Suppliers are attempting to start joint ventures to bring products over at lower costs. Automation was necessary to cut labor and control costs. Kern Enterprises has received financing through industrial revenue bonds and a tax abatement from the City of Sterling Heights.

Ms. Diana Kolakowski, Economic Development Director for the City of Warren, spoke next. Many inquiries are received from people looking for facilities in Warren. The problem is most business incentives are for manufacturing companies. There are not many incentives for commercial or office enterprises.

Mr. Ted Schollenberger, President of Mineral Springs Development, was next to speak. The company is a residential loft development firm. The City of Mount Clemens is a "core community." Core communities have tax incentives available to them. Mount Clemens is also thinking of obtaining "cool city" status and trying to attract young people and young businesses to the downtown area. Redevelopment Ready Communities (RRC) is a program of the Michigan Suburbs Alliance. Communities must qualify and the end result makes them developer friendly.

An advertising campaign marketing Macomb County's positive resources would be a great benefit. Identifying the top ten available manufacturing or fixed-use sites along with a list of key employers to attract to the area may help. Perks for start-up businesses may be of benefit. Mr. Schollenberger noted that he may provide a startup business with a lower rental rate to locate or keep them to our community.

Mr. Tess stated that marketing consultants have been retained by Macomb County. Currently, there are information kiosks at Metro Airport. A promotional piece has appeared in Crain's Detroit Business. The county also has developed a new website – www.Macombbusiness.com. Ms. Kolakowski remarked that she accessed a local chamber's website. Macomb County's information dated back to 2003. Mr. Tess noted that current data is being disseminated to the chambers and other organizations. It is difficult to enforce the updating of websites. It is also important to monitor these situations.

Mr. Gary Popiel, CEO of Henry Ford/Bi-County Hospital, spoke next. Mr. Popiel stated that he is also Chair of the Macomb Chamber of Commerce. The hospital has nine satellite facilities located in Macomb County. The county has 27 municipalities that have to be coordinated. There is no focal point. Traffic is terrible – Hall Road is a deterrent for businesses. How could we encourage business? Mr. Popiel stated that a county executive could be the answer. The establishment of an Economic Club could also be an effective tool for promotional purposes.

Mr. Reed questioned if the county should have one chamber of commerce. Mr. Popiel remarked that a goal should be to network with other chambers and organize resources. Websites should have the most up-to-date data.

Mr. Jim Lindsay, President of Acra Grinding, was the next member to address the committee. Mr. Lindsay stated that there are many buildings for sale in Macomb County. As our auto business is diminishing, it is important that we find out what the next phase will be for our employees. Preparation for the future is necessary. School systems should take a more active role by establishing a ready workforce. Advertising in trade publications would be appropriate. Approach companies considering locating in the county to assist in cutting through the red tape.

Mr. Chester Zochowski, CEO of the REI Group, remarked that his business is located in Romeo. Several companies form the REI Group. One company is involved in transportation. Mr. Zochowski said he is also building an industrial park and wastewater plant on Palm Road. A school teaches entrepreneurial classes, along with other topics. Business people should spend a day with students talking about the real world. The workforce now needs to find employees who can "spin three plates at the same time." Networking Forums may be advantageous. Also, Macomb County needs a county executive to make things happen.

Mr. Michael Malone, Partners in Architecture, was next to speak. Mr. Malone stated that workforce development should be an area of interest. We attended local conferences on school planning and design. We were told that schools are teaching students the wrong subjects and languages. The schools are not looking at the international marketplace. Larger companies consider the schools in the area where they might locate. For example, a bio-medical company wanted to see how many science and math classes were being taught. Mr. Malone remarked he was involved in a specialized school project. The project focused on the auto industry and developed a program to teach students diagnostics and computers. The county should also coordinate efforts with the chambers of commerce and look at traffic issues.

Mr. Bill Quinlan, Quinlan Assoc. Architect, said his company is involved in various forms of building architecture. Mr. Quinlan said he is a member of the American Institute of Architects (AIA) and the Selfridge Community Council. Offering incentives to firms that want to locate or relocate in the county would be beneficial. Support for Selfridge Air Force Base is a good idea. The great lakes could be promoted. As a group, we could support home-based businesses.

Mr. John Hill, President of Midwest Mold, stated that his firm is primarily an automotive supplier. Technology now replaces labor. Macomb County should be exposed to manufacturers outside of the automotive industry. There are industrial properties not being utilized. Tax abatements draw businesses into the county. Information on lower interest rate loans is difficult to find. Some communities are more willing to cooperate with businesses than others. Personal property taxes on manufacturing equipment are expensive. Business networking is important. We have a wealth of skilled trade workers – let people know.

Ms. Diana Cruz is Human Resources Manager for United Machining, Inc. Our company is faced with challenges including maintaining a good work force. We try to provide health care. There is no hope coming from anywhere to help us offer benefits. If there is help it needs to be communicated. Yet, we are constantly under stress to keep our cost down to remain competitive. Business retention should be a priority.

Ms. Lou Sabel, General Manager for United Machining, Inc. noted that Asian competition has taken business away. Incentives need to be addressed. There is a need for training employees. Health care is also a problem. The company's biggest concern is finding a way to remain in Macomb County. United Machining, Inc. has 100 employees.

Ms. Karen Cernel, District Manager for Congresswoman Candice Miller, spoke next. Cong. Miller assists the county's companies. The office helps to locate correct state and federal agencies. We also work very diligently for Selfridge and Tacom. Tacom is a resource that is phenomenal to this whole region. Cong. Miller is working to bring federal contracts to the area. We have the capability and the workforce to handle government contracts. Burtek has a government contract to build portable radiation monitors. We have to promote the county and the workforce located here.

A seminar will be held at Mac & Ray Harbor on September 18, 2006. The governor and contractors will be in attendance. P-TEC Directors from Macomb and St. Clair Counties will conduct seminars on how to do business with the government. Mentoring programs, business roundtables, and universities may be sources to help businesses succeed. The great lakes are jewels. The use of incubators would allow small businesses to share costs.

Mr. Don Torline remarked that Baker College has 33,700 students in Michigan. There are approximately 500 employers who pay to train their employees. At Baker College, over 80% of the students are employed and stay in the area when they graduate. The college is greatly involved in the community. Lessons can be learned from the City of Frankenmuth which successfully markets its community. With the close proximity of Selfridge and the Canadian border we should also be pursuing defense related industries. Partnerships should be formed. What is manufacturing's future for the county?

Mr. Tess remarked that he received comments from Mr. Robert Kegerreis of Burtek Enterprises. Mr. Kegerreis suggested that a manufacturer's council be considered. Awareness of current business needs is important. Incubators and sources for capital venture funding could be provided for new business start-up. Networks could be formed among businesses that can assist each other. The creation of new jobs is a priority.

Also, Mr. Bill Andre, Treasurer for Hydra-Lock Corp., sent the following comments. He said opportunities for manufacturers in the medical, aerospace and defense industries should be focused on. Elimination of the sbt and the need for a four-year university are also necessary.

Mr. Rick Kincaid, representing K & F Electronics, remarked that he agrees with the issues. Everyone has to diversify to the medical and military fields, for example. The county's businesses have the required parts such as metal and plastic, among others. New companies need our services. Diversification and quality products should be focused on.

Mr. Reed stated that the meeting was very informative. The data will be organized into categories that should be pursued to further depth. We are always open for suggestions.

NEXT MEETING

The next meeting of the Focus Macomb Business Development Committee will be held on June 14, 2006 at 11:45 a.m.